

Community Development Commission Board Letter

REVISED Community Development Commission Board Letter



COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

2 Coral Circle • Monterey Park, CA 91755

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Gloria Molina
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Commissioners

Carlos Jackson

Executive Director

September 9, 2003

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE GROUND LEASE WITH YOUNG WOMEN'S CHRISTIAN
ASSOCIATION FOR DEVELOPMENT OF A CHILDCARE FACILITY IN EAST
LOS ANGELES (1)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Ground Lease between the Community Development Commission and the Young Women's Christian Association of Greater Los Angeles, California (YWCA), for operation of a childcare facility on the Commission-owned property located at 4301 and 4315 Union Pacific Avenue in unincorporated East Los Angeles, is exempt from the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as described herein, because the proposed Ground Lease involves an administrative activity that will not have a physical impact or result in any physical changes to the environment.
2. Approve the 10-year Ground Lease, attached in substantially final form, between the Commission and the YWCA, at a cost of \$1.00 per year, for operation of a childcare facility on the subject property, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director to execute all duties and actions as landlord pursuant to the terms of the Ground Lease.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION:

The recommended actions will facilitate development of a childcare center to provide part-time and full-time care for up to 50 toddlers, of which at least 51 percent will be from low- and moderate-income households.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The terms of the Ground Lease provide for the YWCA to pay the Commission \$1.00 per year for 10 years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In mid-2001, the Commission received a proposal from the YWCA to develop a childcare facility to serve the Union Pacific area of unincorporated East Los Angeles. The Commission identified the land, consisting of two adjacent properties located at 4301 Union Pacific Avenue (Parcel 1) and 4315 Union Pacific Avenue (Parcel 2) in the First Supervisorial District, for development of the proposed childcare facility.

On October 8, 2002, your Board approved a construction contract with C. A. S. General Contractors in the amount of \$122,040 in Tax Increment Funds, and a contingency of \$18,306 in Community Development Block Grant (CDBG) funds, for on-site preparation of Parcel 2. This contract enabled preparation of the site for placement by the YWCA of a modular trailer for use as the initial childcare facility. The YWCA is currently occupying the modular trailer on Parcel 2 under an existing License Agreement.

The Commission is currently in the process of site clearance of Parcel 1 and will release that portion of the site to the YWCA subsequent to approval by the Commission of development plans for the permanent childcare facility to be constructed by the YWCA.

The Ground Lease specifies that a minimum of 51 percent of the beneficiaries of the childcare facility will come from low- and moderate-income households earning less than 80 percent of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

The Commission will lease Parcels 1 and 2 to the YWCA for \$1 per year for a period of 10 years. In the event future operation of the childcare center is no

longer feasible, the lease will terminate at no cost to the Commission or the County. This will permit use of the property for another public purpose, contingent upon the approval of your Board and compliance with CDBG regulations.

Should The YWCA require additional or replacement personnel after the effective date of the Ground Lease, the YWCA will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the minimum qualifications for the open position. The YWCA will contact the County's GAIN Division for a list of GAIN participants by category.

The Ground Lease will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of NEPA pursuant to 24 CFR Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. It is also exempt from the provisions of CEQA pursuant to State CEQA Guidelines 15060 (c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

The environmental review record for this project is available for viewing by the public during regular business hours at the Commission's main office located at 2 Coral Circle, Monterey Park.

IMPACT ON CURRENT PROJECT

Development of the facility will increase the availability of childcare services for low-income and moderate-income households in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

GROUND LEASE

Dated as of September ____, 2003

by and between

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES,

as Landlord,

and

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES, CALIFORNIA

as Tenant

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GROUND LEASE

This Ground Lease ("Lease") is made and entered into this ____ day of September, 2003 (the "Lease Date") by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic ("Landlord" or "Commission"), and YOUNG WOMEN CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES, CALIFORNIA, a California non-profit corporation ("Tenant"). Landlord and Tenant shall sometimes hereinafter be individually referred to as "Party" and collectively referred to as "Parties".

RECITALS

A. Landlord is the owner of certain real property located at 4301 and 4315 Union Pacific Avenue in unincorporated Los Angeles County, State of California, more fully described on Exhibit A, the Legal Description and Assessor's parcel map shown as Parcel 1 and Parcel 2, attached hereto and incorporated herein by reference (the "Land").

B. Tenant and Landlord acknowledge that a portion of the Land has been determined to contain certain hazardous materials, that the Landlord has provided to Tenant information regarding Landlord's due diligence activities, and Tenant and Landlord have each conducted their own independent due diligence regarding known existing hazardous materials with respect to the proposed use of the Land.

C. Tenant desires to lease the Land from Landlord, and Landlord desires to lease the Land to Tenant in accordance with the terms and conditions of this Lease as set forth herein below.

D. Tenant intends to lease the Land for the purposes of operating and developing a Child Care Center (hereinafter referred to as the "Center").

NOW THEREFORE, the Parties agree as follows:

1. DEFINITIONS.

1.1 General Definitions.

As used in this Lease, the following words and phrases shall have the following meanings:

(a) Alterations - any change to, or modification of the Improvements made by Tenant pursuant to Section 11.1 below.

(b) Authorized Representative - any officer, employee, or independent contractor retained or employed by either Party, acting within authority given him by that Party.

(c) Capital Expenditure - customary and necessary capital expenditures (as determined in accordance with generally accepted accounting principles) made by Tenant for Alterations with respect to the Improvements.

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(d) Damage - injury, deterioration, or loss to a Person or property caused by an Act of God or another Person's acts or omissions. Damage includes death. Damage does not include normal wear and tear.

(e) Destruction - any substantial Damage to the Land or the Improvements.

(f) Encumbrance - any deed of trust, mortgage, or other written security device or agreement encumbering either the leasehold or the fee interest in the Improvements, that constitutes security for the payment of a debt or performance of an obligation.

(g) Expiration - the coming to an end of the time specified in this Lease as its duration.

(h) Improvements - any structures or other permanent improvements constructed in accordance with plans and specifications approved by Landlord, subject to any requirements of all regulatory agencies.

(i) Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the Parties or the Land, or both, including any licensing requirements, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

(j) INTENTIONALLY OMITTED

(k) Person - one or more human beings, or legal entities or other artificial persons of any kind, including, without limitation, partnerships, corporations, trusts, estates, joint ventures, associations, and any combination of human beings and legal entities.

(l) Provision - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in this Lease that in any way defines or otherwise controls, establishes, or limits the performance required or permitted by either Party.

(m) Rent - is defined in Section 5.1 of this Lease.

(n) Successor - assignee, transferee, personal representative, heir, or other Person succeeding lawfully, and pursuant to the Provisions of this Lease, to the rights or obligations of either Party.

(o) Termination - the ending of the Term for any reason before Expiration.

1.2 Other Definitions.

The following additional terms are defined in the following sections of this Lease:

- | | | |
|-----|------------------------|-----|
| (a) | Term | 4.1 |
| (b) | Rent | 5.1 |
| (c) | Rent Commencement Date | 5.1 |

(d)	Other Expenses	5.2
(e)	Award	13.1(a)
(f)	Condemnation	13.1(b)
(g)	Condemner	13.1(c)
(h)	Date of Taking	13.1(d)
(i)	Defaults	16.1

2. CONDITIONS TO TENANT'S OBLIGATIONS.

2.1 Clearance of the Land.

Landlord has agreed, at its sole expense, to demolish and remove the existing building, structures and improvements from the Land and clear the land in a manner consistent with the preparation of site for the construction of a one-story building. Landlord shall cause the clearance of the Land prior to delivery of the Land to Tenant. In addition, prior to delivery of the Land to Tenant, for the portion of the Land known as Parcel 1, located at 4301 Union Pacific Avenue, Landlord shall also perform the additional sampling and testing of soil on the site. Notwithstanding any other provisions of this Lease, the obligations of Tenant under this Lease is that possession of Parcel 1 by the Tenant is conditional and contingent upon the Landlord accomplishing clearance and site preparation and notifying Tenant, in writing, that the same has been accomplished.

2.2 INTENTIONALLY OMMITTED

3. LAND.

3.1 Lease of Land.

For and in consideration of the payment of Rent and the performance of all the terms, covenants and conditions of this Lease by Tenant, Landlord hereby leases the Land to Tenant subject only to the permitted exceptions set forth in certain title reports attached hereto as Exhibit B.

3.2 Tenant's Acceptance.

Parcel 2 (4315 Union Pacific Avenue) is currently improved with a surface parking lot and modular structure, and other related improvements. Parcel 1 is currently improved with buildings or structures, and other related improvements, which Landlord shall demolish and remove at its sole cost and expense. Following Landlord's clearance of Parcel 1, removal of such improvements, and completion of the activities specified in Section 2.1, Tenant agrees to accept the Land in its "as is" condition with all defects as of the date of the delivery of the Land to Tenant and shall be responsible for all development costs of the Center on the Land.

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3.3 Conveyance of Improvements.

Upon Expiration of the Term of this Lease or earlier termination of the Term pursuant to the provisions of this Lease, the Improvements shall be subject to the Ownership and Removal of Improvements provisions of Section 7.2 below.

4. LEASE TERM.

4.1 Term

The Term ("Term") of this Lease shall commence on the Lease Date and extend for a period of 10 years. Withstanding any provision of this Lease to the contrary, in the event that Tenant is unable to secure funding for the construction of the Improvements of the permanent Center, then this Lease shall automatically terminate and the Parties shall have no further obligations to one another.

5. RENT.

5.1 Payment of Rent.

Upon the execution and delivery of this Lease by each Party hereto to the other Party (the "Rent Commencement Date") and each anniversary of the Rent Commencement Date thereafter, Tenant shall pay to Landlord the sum of one dollar (\$1.00), without deduction, setoff, prior notice or demand, at such place as Landlord may from time to time designate and the other expenses specified in Section 5.2 below (the "Rent").

5.2 Other Expenses.

In addition to the rent as set forth in Section 5.1, Tenant shall pay or cause to be paid all insurance, operating and maintenance expenses in accordance with the terms of this Lease, including all ad valorem property taxes and possessory interest taxes, assessed against or otherwise imposed on the Land, Improvements or Tenant's Personal Property, if any (collectively the "Other Expenses").

From and after the date hereof, Tenant shall be liable and responsible for and pay the Other Expenses on or before the date such Other Expenses are due, and in no event shall Tenant be entitled to a credit from Landlord with respect to the Other Expenses.

6. USE OF LAND.

6.1 Use.

Throughout the Term of this Lease, the Land shall be used by Tenant for the operation of the Center and uses related to the Center and Tenant agrees to operate and maintain the Center pursuant to the Maintenance Agreement. Tenant shall not use or permit the use of the Land and Improvements in any manner which (i) creates a nuisance or (ii) violates any Law; provided that if any future Law is enacted that requires changes to the Improvements or otherwise requires that Tenant expend an amount greater than ten thousand dollars (\$10,000) to comply with such future Law, then Tenant may terminate this Lease by written notice thereof to Landlord given in accordance with the terms of Section 17.1(b).

6.2 Income Requirements for Households Served

Once the Center is operating, a minimum fifty-one percent (51%) of those children or persons served at the Center shall be from low-and moderate-income families on a continuous basis.

Low and moderate income families are those families whose household incomes fall below eighty percent (80%) of median household income as defined by the United States Department of Housing and Urban Development, adjusted for household size.

6.3 No Discrimination.

The Tenant herein covenants by and for itself, its officers, employees, agents, administrators and assigns that there shall be no discrimination against or segregation of any person or group of persons, on account of race, religion, creed, color, national origin, ancestry, marital status, sex or sexual orientation in the leasing, subleasing, transferring, use or enjoyment of the Land and Improvements, nor shall the Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants, or vendees for the Improvements.

6.4 Monitoring.

Once the Center is made available for public use, the Tenant shall complete the Quarterly Performance Report that is mandated by the U.S. Department of Housing and Urban Development (HUD) by compiling and providing Direct Benefits Information. The Tenant shall report this Direct Benefits Information to the Landlord only during the program year that the construction of the facility was completed and made available to the public. The Landlord will verify that the HUD national objective has been met in accordance with HUD regulations and the Tenant's policy as set forth in Community Development Block Grant ("CDBG") Bulletin No. 01-0059, dated October 29, 2001.

The Landlord and the Tenant shall comply with HUD regulation, 24 CFR 570.505, "Use of Real Property." The Tenant shall collect income and ethnicity data on the beneficiaries of the Center for the program year during which the Center is made available to the public and maintain the following records for five (5) years subsequent to the Center being available for public use, and shall enable the Landlord to conduct an onsite review of these records to verify compliance with the HUD following national objective:

- a) Income documentation for beneficiaries of the facility, evidencing that at least 51 percent of the clientele are persons whose family income does not exceed the low- to moderate- income limit which is 80% of the County's median income for the Los Angeles-Long Beach Metropolitan Statistical Area.
- b) Ethnicity information for all of the beneficiaries of the facility.

The Tenant must receive authorization from the Landlord to use the "Public Service Self Certification Form" (the "Form") to collect family income information in those instances where the Tenant is unable to obtain complete income documentation from the Center's beneficiaries. The Tenant must ensure that the Form contains the current income guidelines, and the completed Forms are maintained in a manner to facilitate the Landlord's monitoring review. The

Forms must be fully completed, signed, and dated by the beneficiaries, as well as approved by a Tenant's authorized staff member. If the scope of the facility's activity changes, the Tenant shall submit a new request to the Landlord for authorization to use the "Public Service Self-Certification Form." For Federal reporting and monitoring purposes, the Tenant shall collect and maintain the following information for each beneficiary of the Center:

- a) The name, address, ethnicity and single head of household status.
- b) The census tract number of the place of residence.

The Tenant shall market the facility's services to residents of the Los Angeles Urban County, which includes the unincorporated areas of the County and the cities participating in the Los Angeles Urban County CDBG Program.

The Tenant shall maintain the child care facility use of the Land for a period of not less than five (5) years. Any change in the use of the Land must be approved in writing by the Executive Director of the Landlord. Landlord, at Landlord's sole discretion, may terminate this Lease if Tenant changes the use of the Land without the Landlord's written permission, which permission shall not be unreasonably withheld.

7. IMPROVEMENTS.

7.1 Future Development of Parcel 1.

Prior to delivery of possession of Parcel 1 to Tenant, Tenant shall provide development plans which will be subject to approval by the Landlord, at Landlord's sole discretion, such approval shall not be unreasonably withheld.

7.2 Ownership and Removal of Improvements.

The Improvements shall be the sole property of the Tenant. Except as otherwise provided under this Lease, Tenant shall have the right to remove the Improvements, subject to the approval of the Commission and/or the County of Los Angeles, in its reasonable discretion.

8. MAINTENANCE AND REPAIRS.

Tenant shall maintain the Land, landscaping, Improvements, equipment, and all other components of the Center in good repair and order and in decent, safe, and sanitary condition at all times in order to ensure the preservation of their condition. To this end, Tenant shall perform any repairs or replacements of the aforementioned as may be necessary.

9. UTILITIES AND SERVICES.

Tenant shall pay for all water, sewage, gas, electricity, telephone, maintenance, janitorial, trash collection and any and all other utilities and services supplied to the Land and Improvements.

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10. ALTERATIONS.

10.1 Alterations Subsequent to Issuance of Certificate of Occupancy.

Tenant shall have the right, throughout the Term of this Lease, at any time and from time to time, to make, without the review or approval of Landlord alterations costing no more than \$10,000.00. Any Alterations costing in excess of \$10,000 shall require the prior written approval of the Landlord; provided, however, that such approval by Landlord shall not be unreasonably withheld, conditioned, or delayed. All Alterations shall be made pursuant to the terms of this Section 10.

10.2 Conditions to Alterations.

Notwithstanding the Provisions of Section 10.1, with respect to any such Alterations, Tenant shall comply with the following requirements:

- a. If the Alterations require a building permit, on or before submission of (i) preliminary construction plans and specifications therefore and/or (ii) final working plans and specifications, to the appropriate governmental agencies for review, Tenant shall submit one set of such documents to Landlord for Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed by Landlord.
- b. If the cost of the Alterations exceeds \$10,000, Tenant shall deliver to Landlord insurance certificates for any insurance pertaining to the construction which is required pursuant to Section 11 hereof.
- c. Once construction of the Alterations commences, Tenant shall with reasonable diligence prosecute such construction to completion.

11. INDEMNIFICATION AND INSURANCE

Tenant shall indemnify, defend and hold harmless the Commission, the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Tenant's acts and/or omissions arising from and/or relating to this Lease.

Tenant shall procure and maintain at Tenant's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Tenant, its agents, representatives, employees, contractors or subcontractors.

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Commission, the Housing Authority, the County, and their officials and employees, shall be covered as insureds with respect to: liability arising out of activities performed by or on behalf of the Tenant; products and completed operations of the Tenant; premises owned, leased or used by the Tenant.

B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing worker's compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

Any self-insurance program and self-insured retention must be separately approved by the Commission.

Each insurance policy shall be endorsed to state that coverage shall not be cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Commission.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Commission.

All coverage for contractors and subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Commission.

12. DAMAGE OR DESTRUCTION.

12.1 Duty to Restore.

If any insured Damage or Destruction to the Improvements renders the Improvements partially or totally untenable, this Lease shall not terminate and said Improvements shall be rebuilt by Tenant with due diligence at Tenant's expense; provided, however that Tenant shall not be obligated to rebuild the Improvements if the insurance proceeds received by Tenant for such Damage or Destruction to the Improvements is less than one hundred percent (100%) of the cost to restore such Improvements. Notwithstanding the foregoing, this Lease shall be subject to termination as provided in Section 12.2 below.

12.2 Election to Terminate.

If there shall occur any Damage or Destruction to the Improvements at any time during the Term for which the insurance proceeds received by Tenant is less than one hundred percent (100%), exclusive of deductibles, of the cost to restore such Improvements (or if such Damage or Destruction is uninsured), then either Landlord or Tenant may terminate this Lease by written notice thereof to the other Party given in accordance with the terms of Section 17.1(b). If this Lease is not so terminated, then Tenant shall rebuild said Improvements with due diligence within reasonable time after Tenant's receipt of such insurance proceeds as approved by Landlord. If this Lease is terminated as aforesaid, (1) this Lease shall terminate effective as of the date of such Damage or Destruction, and (2) any Rent paid by Tenant for the period after such termination date shall be immediately refunded by Landlord.

13. CONDEMNATION.

13.1 Definitions.

(a) "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

(b) "Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemner and (2) a voluntary sale or transfer by Landlord or Tenant to any Condemner, either under threat of Condemnation or while legal proceedings for Condemnation are pending.

(c) "Condemnor" means any public or quasi- public authority, or private corporation or individual, having the power of Condemnation.

(d) "Date of Taking" means that date which is the earlier of (i) the date Condemnor has the right to take possession of the property being condemned (ii) the date Condemnor takes title to the property being condemned.

13.2 Rights and Obligations.

If during the Term there is any taking of all or any part of the Land, the Improvements or any interest in this Lease by Condemnation, the rights and obligations of the Parties shall be determined pursuant to this Section 13. Each Party waives the provisions of Code of Civil Procedure 1265.130 allowing either Party to petition the Superior Court to Terminate this Lease in the event of a partial taking of the Land.

13.3 Total Taking.

(a) If all or substantially all of the Land, the Improvements, or Landlord or Tenant's interest in this Lease shall be taken by Condemnation, this Lease shall terminate as of the Date of Taking. For purposes of this Section, "substantially all" of the Land, Improvements, or Landlord or Tenant's interest in this Lease shall be deemed to have been taken if the Condemnation in Tenant's reasonable discretion, prevents the remaining property from practicably being used by Tenant for the purposes contemplated by this Lease ("Total Taking").

(b) In the event of a Total Taking, Tenant shall be entitled to that portion of the Award attributable to the fair market value of the Improvements, plus, compensation for

fixtures and equipment, goodwill and relocation benefits and Landlord shall be entitled to receive the balance of any Award.

13.4 Partial Taking.

(a) In the event of a taking which is less than a Total Taking ("Partial Taking"), the Term of this Lease shall not be reduced or affected in any way.

(b) In the event of a Partial Taking:

(1) Subject to the rights of Tenant's Lender(s), that portion of the Award as may be required to reasonably repair and restore any Improvements on the Land shall be made payable to the Tenant for the cost of repair, restoration or reconstruction of the damaged or destroyed Improvements. If and to the extent that the Improvements cannot, in Tenant's reasonable judgment, be so repaired and restored, Tenant shall be entitled to a portion of the Award as required to reasonably compensate Tenant for the fair market value of Tenant's interest in this Lease taken by Condemnor and the fair market value of the Improvements which cannot be repaired or restored. Any such reconstruction or restoration by Tenant shall comply with the Provisions of Section 20.1 of this Lease; and

(2) Landlord shall be entitled to receive the balance of the Award.

(c) If the temporary use or occupancy of all or any part of the Improvements shall be taken for any public or quasi-public use for a period exceeding thirty (30) days during the Term of this Lease, Tenant shall have the option to Terminate this Lease upon thirty (30) days notice to Landlord, subject to the rights of Tenant's Lenders. If Tenant does not exercise this option to Terminate the Lease, Tenant shall continue to pay in full the Rent and other sums due from Tenant to Landlord under this Lease, and Tenant shall have the right to receive so much of any Award or other consideration for such taking as represents compensation for the use and occupancy of the Land and Improvements up to and including the date of Expiration of the Term of this Lease or the date of Termination of the temporary taking as reasonably determined by Landlord, whichever is earlier, and Landlord shall be entitled to receive the balance, if any, of the Award.

13.5 Condemnation Proceedings.

Tenant shall have the right to participate in any Condemnation proceedings concerning or affecting the Land, the Improvements, Landlord's interest in this Lease and Tenant's interest in this Lease. In case of a taking of all or any part of the Land or the commencement of any proceedings or negotiations which might result in such taking, any Party receiving information as to the same shall promptly give written notice thereof to the other.

14. HAZARDOUS MATERIALS.

(a) Tenant and Landlord acknowledge that the following activities have occurred regarding hazardous materials and the proposed use of the Land:

(1) In performance of Landlord's due diligence on the site, Landlord caused to be prepared the following documents: a) Environmental Disclosure Report (aka Phase I Environmental Site Assessment) prepared by AMS-NATC Environmental Services, Inc., dated

September 23, 1997, for 4315, 4317, 4319 and 4329 Union Pacific Avenue, and 1275 Sunol Avenue, Los Angeles, CA; b) Phase I Environmental Site Assessment Report prepared by First USA RE., Inc., dated March 2001, for 4301 Union Pacific Avenue and 1274 Downey Road, Los Angeles, CA; c) Phase II Environmental Site Assessment prepared by Geo-Cal Inc., dated April 6, 2000, for 4329 Union Pacific Avenue, Los Angeles, CA; and d) Phase II Environmental Site Assessment prepared by First USA RE., Inc., dated December 2000, for 4315-29 Union Pacific Avenue and 1275 Sunol Drive, Los Angeles, CA.

- (2) Landlord and Tenant have independently reviewed all documents identified in item 1 above, and based on this documentation acknowledge that: a) portions of the site located at 4329 Union Pacific Avenue were formerly used as a gas station, b) underground storage tanks were removed, and the former gas station site was remediated under the regulatory oversight of the Los Angeles County Department of Public Works (DPW), c) DPW issued a Closure Certification for the site on January 23, 1997.
- (3) Landlord and Tenant acknowledge that the Phase II Environmental Site Assessments identified in item 1 above indicate that some residual subsurface contaminants remain on the former gas station property in the area to be used as surface parking for the proposed development, and that based on sampling results documented in the Phase II Environmental Site Assessment dated December 2000, the remaining subsurface contaminants do not extend to any site areas to be developed with structures designed for human occupancy.
- (4) Landlord and Tenant acknowledge that placement of structures away from the confined areas of subsurface contaminants has been purposefully undertaken to further mitigate potential risks to human health.

(b) Tenant covenants that it shall not (i) release "Hazardous Materials" (as defined below) in violation of Environmental Laws (as defined below) in, on or upon the Site, or (ii) during the term of this Lease, permit the release of Hazardous Materials in violation of Environmental Laws in, on or upon the Site or the Project. Tenant further covenants and agrees to remove or remediate, at its expense (subject to any reimbursement it may be able to obtain from third parties) any Hazardous Materials released in, on or upon the Site or the Project in violation of Environmental Laws from and after the date hereof and during Tenant's lease, control or occupancy of the Site or the Project to the extent required by and in accordance with the requirements of the Environmental Laws. The foregoing shall not be construed or understood to prohibit Tenant from allowing Hazardous Materials to be brought upon the Project so long as such Hazardous Materials are materials which are customary and common to the normal course of business in the operation of a child care facility and so long as such materials are used, stored and disposed of in accordance with Environmental Laws. Tenant agrees to indemnify, defend and hold Landlord and its members, directors, agents, officers and employees ("Landlord Parties") harmless from and against any Claims arising directly or indirectly out of the presence of Hazardous Materials in, on or upon the Site or the Project, in

violation of this Section 14, including without limitation any Claims arising out of any release of Hazardous Materials described in (i) and (ii) hereinabove or out of Tenant's failure to remove or remediate all such Hazardous Materials released in violation of Environmental Laws in, on or upon the Site and the Project, as required above.

(c) Tenant hereby releases, waives and discharges Landlord and its agents, officials and representatives from all present and future claims, demands, suits, legal and administrative proceedings and from all losses and liabilities arising out of or in any way connected with Tenant's ownership, lease, control or occupancy of the Site, operation of the Project, and in connection with such release and waiver Tenant is familiar with and hereby waives the provisions of Section 1542 of the California Civil Code which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

(d) For purposes of this Lease, the term "Hazardous Materials" means, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any other substance or material as may now or hereafter be defined as a hazardous or toxic substance by any federal, state or local environmental law, ordinance, rule or regulation (collectively, "Environmental Laws"), including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 6901 et seq.), (ii) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), (iii) the Clean Air Act (42 U.S.C. Section 7401 et seq.), (iv) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. Section 6902 et seq.), (v) the Toxic Substances Control Act (15 U.S.C. Section 2601-2629), (vi) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), (vii) the Carpenter-Presley-Tanner Hazardous Substance Account Act (CA Health & Safety Code Section 25300 et seq.), (viii) the Hazardous Waste Control Law (CA Health & Safety Code Section 25100, et seq.), (ix) the Porter-Cologne Water Quality Control Act (CA Water Code Section 13000 et seq.), (x) the Safe Drinking Water and Toxic Enforcement Act of 1986, (xi) the Hazardous Materials Release Response Plans and Inventory (CA Health & Safety Code Section 25500 et seq.), (xii) the Air Resources Law (CA Health & Safety Code Section 39000 et seq.), or (xiii) in any of the regulations adopted and publications promulgated pursuant to the foregoing.

15. ASSIGNMENT, SUBLETTING AND ENCUMBERING.

15.1 Assignment and Subletting.

(a) Tenant may not assign, sublet or transfer all or any of its interest in this Lease without the written consent of Landlord at Landlord's sole discretion, which consent shall not be unreasonably withheld. In the event Landlord grants its consent to an assignment or transfer, Tenant shall be jointly responsible with sublessee for the obligations for the performance of all of the terms and conditions of this Lease, including the payment of Rent, upon the date of such assignment or transfer.

(b) No assignment or transfer of this Lease by the Landlord shall be binding on the Tenant unless the assignee or transferee shall assume and agree to be bound by the terms of this Lease and until notice of assignment or transfer together with an executed copy of such transfer instrument or assignment is received by Tenant.

15.2 Encumbrance or Assignment as Security.

Tenant shall not have the right to encumber or assign its interest in this Lease, in favor of any Lender, including, without limitation, banks, savings and loans, and insurance companies without the consent of Landlord, and at the Landlord's sole discretion.

16. DEFAULTS AND REMEDIES.

16.1 Defaults.

Each of the following shall, after the giving of any required notice and the expiration of any applicable cure period described herein, constitute a default ("Default") by Tenant under this Lease:

(a) If, after written notice, Tenant shall fail to pay any installment of Rent or other sum due under this Lease when due and payable, and such failure continues for a period of more than ninety (90) days;

(b) If Tenant shall fail to perform any non-monetary obligation, provision, term, covenant or condition of this Lease, and such failure continues for more than ninety (90) days after written notice from the Landlord; provided, however, that if the default is of such a character that it cannot be reasonably cured within ninety (90) days, Tenant shall not be in default hereunder if Tenant shall commence the cure of such default within ninety (90) days of Landlord's written notice to Tenant and shall thereafter diligently prosecute the same to completion;

(c) If, after operation of the Center has commenced, the Land or its Improvements is not used for its intended child care purposes for a period up to ninety (90) days, except in the event of Damage or Destruction or Condemnation to or of the Improvements, in which event the terms and provisions of Section 12 and Section 13 shall govern, then Landlord shall have a right to terminate this Lease;

(d) If a receiver, guardian, conservator, trustee or assignee, or any other or similar officer or Person shall be appointed to take charge of the Land or Improvements, and such appointment is not vacated within ninety (90) days thereafter;

(e) The material falsity of any representation or breach of any warranty or covenant made by Landlord or Tenant under the terms of this Lease shall constitute a default for which no cure is provided, provided that the non-defaulting party gives notice to the defaulting party of such material falsity within twelve (12) months following the Lease Date.

(f) Tenant shall (a) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (b) make a general assignment for the benefit of creditors, (c) be adjudicated a bankrupt or insolvent or (d) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition that is not withdrawn within ninety (90) days of the filing thereof or answer seeking an

arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

(g) If without the application, approval or consent of Tenant, a proceeding shall be instituted in any court of competent jurisdiction under any law relating to bankruptcy, in respect of Tenant or any constituent member or partner or majority shareholder, of Tenant for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Tenant, in good faith, the same shall (a) result in the entry of an order for relief or any such adjudication or appointment, or (b) continue undismissed, or pending and unstayed, for any period of ninety (90) consecutive days;

(h) Following the Center being made available for public use, voluntary cessation of the operation of the Center for a continuous period of more than ninety (90) days except in the event of Damage or Destruction or Condemnation to or of the Improvements in which event the terms and provisions of Section 12 and Section 13 shall govern; or

(i) Tenant shall suffer or attempt to effect an assignment or transfer of this Lease in violation of Section 15 above.

16.2 Remedies.

Upon occurrence of any Default by Tenant, Landlord may at its option and without any further demand or notice, do any of the following:

(a) Give written notice of Termination of this Lease to Tenant, and on the date specified in such notice, Tenant's right to possession of the Land and Improvements shall cease immediately and this Lease shall Terminate. Upon such Termination, Landlord may reenter the Premises, and subject to the rights of subtenants, Landlord may eject all parties in possession of the Premises through legal process and repossess and enjoy the Premises.

(b) Without terminating this Lease or relieving the Tenant of any obligation hereunder, the Landlord may do all things necessary to preserve, maintain and repair the same and continue to enforce all of its rights and remedies under this Lease.

16.3 Cumulative Nature of Remedies.

The foregoing rights and remedies granted to Landlord under Section 16.2 shall be cumulative to the all other rights and remedies now or hereafter given to Landlord by Law or in equity or by the Terms of this Lease. No remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy given under this Lease or now existing at law or in equity or by statute; and may be exercised in such manner, at such times and in such order as Landlord may determine in its sole discretion. No delay or omission in the exercise of any right or power upon the occurrence of any Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by Landlord. In the event of a Default by Landlord or Tenant, neither party shall be entitled to recover consequential damages from the

other. In order to entitle Landlord to exercise any right or remedy reserved to it under this Lease, no notice shall be required except as expressly provided herein.

16.4 Landlord's Right to Cure Breach.

If an emergency threatens life or material damage to property, at any time and without notice to Tenant or any other party, Landlord may (but shall not be obligated to) cure any default by Tenant under this Lease at Tenant's sole cost. If Landlord, by reason of Tenant's failure, pays any sum or does any act under this Section 16.4, the reasonable sum paid by Landlord plus the reasonable cost of performing such act shall be due as additional Rent within thirty (30) days after written demand therefore by Landlord to Tenant. Except as specifically provided under the terms of this Lease, no such payment or act shall constitute a cure or waiver of the breach or a waiver of any remedy for Default or render Landlord liable for any loss or damage resulting from any such act.

16.5 Landlord's Default.

Landlord shall be in Default under this Lease if, after the giving of any required notice and the expiration of any applicable cure period described herein, Landlord fails to perform any obligation required to be performed by it hereunder, provided however that Landlord shall be entitled to cure such default if Landlord performs such obligation within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in Default if Landlord shall commence such performance within such thirty (30) day period and thereafter diligently and in good faith prosecute the cure to completion.

17. SURRENDER; ENTRY.

17.1 Surrender.

(a) Surrender Upon Expiration or Earlier Termination. Subject to the provisions of this Lease, upon the Expiration or sooner Termination of this Lease, Tenant shall surrender the Land to Landlord. Tenant shall have the right to remove the Improvements, and their trade fixtures, furniture, personal property, furnishings and equipment from the Land and the Improvements prior to the date of Termination or within thirty (30) days after the date of Termination provided they repair any damage to the Land caused by said removal. All items not removed on or before thirty (30) days after the date of Termination shall be the sole property of Landlord.

(b) Voluntary Surrender. Tenant may surrender the Land and Improvements to Landlord upon sixty (60) days prior written notice at any time during the Term of this Lease with the written consent of the Executive Director of the Landlord. In such event, Tenant shall be relieved of any and all obligations arising on or subsequent to the date the Lease is so surrendered to Landlord, provided, however that Tenant shall remain obligated on all obligations that arise prior to the date of such surrender.

(c) Landlord's Ownership of the Improvements. All Improvements on the Land and any personal property not removed from the Land after termination or surrender shall be the sole and absolute property of Landlord, who may transfer, sell, assign or remove the same.

17.2 INTENTIONALLY OMMITTED

17.3 Landlord's Entry on Land.

Landlord and its Authorized Representatives shall have the right to enter the Land during normal business hours upon 24 hours prior notice to Tenant for any of the following purposes:

(a) To determine whether the Land is in good condition and whether Tenant is complying with its obligations under this Lease.

Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Land as provided in this Section 17.3, except damage resulting from the negligent acts or negligent omissions of Landlord or its Authorized Representatives.

Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any rights reserved in this Section 17.3.

Landlord shall conduct its activities on the Land as allowed in this Section 17.2 in a reasonable manner that will minimize any inconvenience, annoyance, or disturbance to Tenant and Tenant's subtenants.

18. NOTICES.

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease made or given by either Party to the other shall be personally delivered or sent by reputable overnight courier or United States certified mail, return receipt requested, postage prepaid, and shall be deemed received upon delivery if personally served, one day after deposit with an overnight courier, or three days after deposit in the United States mail, if sent certified mail, return receipt requested, postage prepaid. Such notices shall be addressed as follows:

If to Landlord: Corde Carrillo, Director
Economic/Redevelopment Division
Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

If to Tenant: Faye Washington, CEO
Young Women Christian Association of
Greater Los Angeles, California
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010

or to such other place or places as Landlord and Tenant may designate by written notice similarly delivered.

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19. QUIET POSSESSION.

Tenant shall and may peaceably and quietly have, hold and enjoy the Land during the Term hereof, as the same may be extended, without hindrance by Landlord, subject to all of the Provisions of this Lease.

20. INTENTIONALLY OMMITTED

21. INTENTIONALLY OMMITTED

22. GENERAL PROVISIONS.

22.1 Waiver.

The waiver by Landlord or Tenant of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

22.2 Estoppel Certificates.

At any time and from time to time, within twenty (20) days after notice of request by either Party, the Party so requested shall execute, acknowledge, and deliver to the requesting Party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured Defaults or failures to perform any covenant or Provision of this Lease on the part of the other Party hereto or specifying any such Defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any Lender, auditor, creditor, banker, and investment banker of either Party and by any prospective purchaser or mortgagee of the Land or all or any part or parts of Tenant's or Landlord's interests under this Lease.

22.3 Entire Agreement; Modification.

This Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant unless included in such a contemporaneous agreement shall be held to vary the Provisions hereof, any statements, laws or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own inspection of the Land and examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Lease itself. The failure or refusal of either Party to inspect the Land, to read this Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

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No Provision of this Lease may be amended or varied except by an agreement in writing signed by the Parties.

22.4 Recording.

At Tenant's request, Landlord and Tenant shall enter into a short form memorandum of this Lease, in suitable form for recording, which shall be prepared at Tenant's sole expense upon commencement of the Term.

22.5 Governing Law.

The Lease shall be governed by and interpreted under the laws of the State of California.

Successors.

The covenants, conditions and agreements of this Lease shall be binding upon and shall inure to the benefit of the heirs, representatives, successors and assigns of the Parties hereto.

22.6 Severability.

If the Provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other Provisions of this Lease shall in no way be affected thereby, and this Lease shall be construed as though such invalid, illegal or unenforceable Provisions had never been contained herein, provided that such construction does not materially alter the rights or obligations of either Party hereunder.

22.7 Singular and Plural: Gender.

Whenever the singular number is used in this Lease and the context requires, the same shall include the plural. Further, when used in this Lease and the context requires, the neuter gender shall include the feminine and masculine, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, and each shall include any reference to a corporation, partnership, trust, or other legal entity.

22.8 Termination for Improper Consideration.

The Landlord may, by written notice to Tenant, immediately terminate the right of Tenant to proceed under this Lease if it is found that consideration, in any form, was offered or given by Tenant, either directly or through an intermediary, to any Landlord officer, employee or agent with the intent of securing the Lease or securing favorable treatment with respect to the award, amendment or extension of the Lease or the making of any determinations with respect to the Tenant's performance pursuant to the Lease. In the event of such termination, Landlord shall be entitled to pursue the same remedies against the Tenant as it could pursue in the event of default by the Tenant.

Tenant shall immediately report any attempt by a Landlord officer or employee to solicit such improper consideration. The report shall be made to the Landlord manager charged with the supervision of the employee or the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0491 or (800) 544-6861.

22.9 Time.

Time is of the essence of this Lease. To the extent any approvals are required of Landlord under this Agreement, such approvals or disapprovals shall be given within twenty (20) days of receipt by Landlord of a request by Tenant for an approval of Landlord, unless the time frame for said approval is specified in this Lease.

22.10 Captions.

The captions of the sections of this Lease are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

22.11 Brokers.

Each Party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

22.12 Force Majeure.

Except as provided below, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, extraordinary governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the control of the Party obligated to perform any term, covenant or condition of this Lease, shall excuse the performance by such Party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to Rent or Landlord's financial obligations pursuant to this Lease, unless abatement is provided for in those instances under this Lease.

Either Party encountering such force majeure delays shall send written notice thereof to the other Party no later than ten (10) days after the commencement of such force majeure delay. If the Party encountering such force majeure delay fails to send notice thereof to the other Party within ten (10) days after the commencement of such delay, then any alleged delay occurring more than ten (10) days prior to the date of such notice shall not be deemed to extend any time for performance set forth herein.

22.13 Conflict of Documents.

To the extent of any inconsistency between this Lease and any other related agreements entered into prior to the Lease Date, the terms of this Lease shall prevail.

22.14 Compliance with Laws.

Tenant and Landlord agree to be bound by applicable federal, state, and local laws, regulations and directives as they pertain to the performance of this Lease, including, but not limited to the following:

a. Federal Lobbyist Requirements

Tenant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of any agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification of said documents.

22.15 Conflict of Interest.

The Tenant represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the Term of this Lease, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Commission. Upon execution of this Lease and during its Term, as appropriate, the Tenant shall disclose in writing to the Commission any other contract or employment during the Term of this Lease by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interest of the third parties.

22.16 Access and Retention of Records.

Tenant shall retain books, documents, papers and records of the Tenant which are directly pertinent to the Lease for a period of five years after the Lease expires.

22.17 Safety Standards and Accident Prevention.

The Tenant shall comply with all applicable federal, state and local laws governing safety, health and sanitation in connection with the performance of this Lease.

22.18 Drug-Free Workplace Act of the State of California.

Tenant certifies under penalty of perjury under the laws of the State of California that the Tenant will comply with the requirements of the Drug-Free Workplace Act of 1990.

22.19 Notice to Employees Regarding the Safety Surrendered Baby Law.

The Tenant shall notify and provide to its employees, and shall require each contractor and subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit D, County Contractor Notification to Contract Employees Regarding the Newborn Abandonment Law (SB 1368, the Safely Surrendered Baby Law).

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22.21 Tenant's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law.

The Tenant acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Tenant understands that it the County's policy to encourage all County Contractors, which shall include Tenant, to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Tenant's place of business. The Tenant will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of Children and Family Services will supply the Tenant with the poster to be used.

22.22 Interpretation.

No provision of this Lease is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Lease is to be constructed as if it were drafted by both parties hereto.

22.23 Waiver.

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall be deemed to be a waiver of any breach of the same or any other provision hereof.

F:\HOME\ER\ED\ YWCA-GROUND LEASE--7-14-03

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date first above written

LANDLORD:

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

TENANT:

YOUNG WOMEN CHRISTIAN
ASSOCIATION OF GREATER LOS
ANGELES, CALIFORNIA

BY: _____
CARLOS JACKSON,
EXECUTIVE DIRECTOR

By: _____
FAYE WASHINGTON, CHIEF
EXECUTIVE OFFICER

Date

Date

APPROVED AS TO FORM:
LLOYD W. PELLMAN
COUNTY COUNSEL

BY: _____
Deputy

EXHIBIT A

LEGAL DESCRIPTION AND ASSESSOR'S PARCEL MAP

PARCEL 1: 4301 UNION PACIFIC AVENUE

Lots 18 and 19 in Block 7 of Tract No. 4301, in the County of Los Angeles, State of California, as per map recorded in Book 50, Pages 98 and 99 of Maps, in the Office of the County Recorder of said County.

PARCEL 2: 4315 UNION PACIFIC AVENUE

Lots 20 and 21 of Block 7, Tract No. 4301, in the County of Los Angeles, State of California, as per map recorded in Book 50, Pages 98 and 99 of Maps, in the Office of the County Recorder of said County.

ASSESSOR'S PARCEL MAP

EXHIBIT B
TITLE REPORTS

EXHIBIT C

FEDERAL LOBBYIST REQUIREMENTS CERTIFICATION

Name of Firm: _____

Address: _____

State: CA Zip Code: _____ Telephone Number: (____) _____

Acting on behalf of the above named firm, as its Authorized Official, I make the following Certification to the U.S. Department of Housing and Urban Development and the Community Development Commission, County of Los Angeles.

1) No Federal appropriated funds have been paid by or on behalf of the above named firm to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of and Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification thereof, and;

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the above named firm shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions, and;

3) The above name firm shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreement) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into the transaction imposed by Section 1352 Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AUTHORIZED OFFICIAL

(Tenant)

By: _____
(Signature)

(Date)

(Title)

EXHIBIT D

**INFORMATION REGARDING THE NEWBORN ABANDONMENT LAW
(SB 1368, THE SAFELY SURRENDERED BABY LAW)**

REVISED

September 9, 2003

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE GROUND LEASE WITH YOUNG WOMEN'S CHRISTIAN
ASSOCIATION FOR DEVELOPMENT OF A CHILDCARE FACILITY IN EAST
LOS ANGELES (1)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Ground Lease between the Community Development Commission and the Young Women's Christian Association of Greater Los Angeles, California (YWCA), for operation of a childcare facility on the Commission-owned property located at 4301 and 4315 Union Pacific Avenue in unincorporated East Los Angeles, is exempt from the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as described herein, because the proposed Ground Lease involves an administrative activity that will not have a physical impact or result in any physical changes to the environment.
2. Approve the 10-year Ground Lease, attached in substantially final form, between the Commission and the YWCA, at a cost of \$1.00 per year, for operation of a childcare facility on the subject property, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director to execute all duties and actions as landlord pursuant to the terms of the Ground Lease.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION:

The recommended actions will facilitate development of a childcare center to provide part-time and full-time care for up to 50 toddlers, of which at least 51 percent will be from low- and moderate-income households.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The terms of the Ground Lease provide for the YWCA to pay the Commission \$1.00 per year for 10 years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In mid-2001, the Commission received a proposal from the YWCA to develop a childcare facility to serve the Union Pacific area of unincorporated East Los Angeles. The Commission identified the land, consisting of two adjacent properties located at 4301 Union Pacific Avenue (Parcel 1) and 4315 Union Pacific Avenue (Parcel 2) in the First Supervisorial District, for development of the proposed childcare facility.

On October 8, 2002, your Board approved a construction contract with C. A. S. General Contractors in the amount of \$122,040 in Tax Increment Funds, and a contingency of \$18,306 in Community Development Block Grant (CDBG) funds, for on-site preparation of Parcel 2. This contract enabled preparation of the site for placement by the YWCA of a modular trailer for use as the initial childcare facility. The YWCA is currently occupying the modular trailer on Parcel 2 under an existing License Agreement.

On June 30, 1998, your Board approved demolition of existing structures for construction on Parcel 1. The Commission is currently in the process of site clearance of Parcel 1 and will release that portion of the site to the YWCA subsequent to approval by the Commission of development plans for the permanent childcare facility to be constructed by the YWCA and upon further approval by your Board.

The Ground Lease specifies that a minimum of 51 percent of the beneficiaries of the childcare facility will come from low- and moderate-income households earning less than 80 percent of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

The Commission will lease Parcels 1 and 2 to the YWCA for \$1 per year for a period of 10 years. In the event future operation of the childcare center is no longer feasible, the lease will terminate at no cost to the Commission or the

County. This will permit use of the property for another public purpose, contingent upon the approval of your Board and compliance with CDBG regulations.

Should The YWCA require additional or replacement personnel after the effective date of the Ground Lease, the YWCA will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet the minimum qualifications for the open position. The YWCA will contact the County's GAIN Division for a list of GAIN participants by category.

The Ground Lease will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of NEPA pursuant to 24 CFR Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. It is also exempt from the provisions of CEQA pursuant to State CEQA Guidelines 15060 (c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

The environmental review record for this project is available for viewing by the public during regular business hours at the Commission's main office located at 2 Coral Circle, Monterey Park.

IMPACT ON CURRENT PROJECT

Development of the facility will increase the availability of childcare services for low-income and moderate-income households in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

GROUND LEASE

Dated as of September ____, 2003

by and between

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES,

as Landlord,

and

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES, CALIFORNIA

as Tenant

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GROUND LEASE

This Ground Lease ("Lease") is made and entered into this ____ day of September, 2003 (the "Lease Date") by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic ("Landlord" or "Commission"), and YOUNG WOMEN CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES, CALIFORNIA, a California non-profit corporation ("Tenant"). Landlord and Tenant shall sometimes hereinafter be individually referred to as "Party" and collectively referred to as "Parties".

RECITALS

A. Landlord is the owner of certain real property located at 4301 and 4315 Union Pacific Avenue in unincorporated Los Angeles County, State of California, more fully described on Exhibit A, the Legal Description and Assessor's parcel map shown as Parcel 1 and Parcel 2, attached hereto and incorporated herein by reference (the "Land").

B. Tenant and Landlord acknowledge that a portion of the Land has been determined to contain certain hazardous materials, that the Landlord has provided to Tenant information regarding Landlord's due diligence activities, and Tenant and Landlord have each conducted their own independent due diligence regarding known existing hazardous materials with respect to the proposed use of the Land.

C. Tenant desires to lease the Land from Landlord, and Landlord desires to lease the Land to Tenant in accordance with the terms and conditions of this Lease as set forth herein below.

D. Tenant intends to lease the Land for the purposes of operating and developing a Child Care Center (hereinafter referred to as the "Center").

NOW THEREFORE, the Parties agree as follows:

1. DEFINITIONS.

1.1 General Definitions.

As used in this Lease, the following words and phrases shall have the following meanings:

(a) Alterations - any change to, or modification of the Improvements made by Tenant pursuant to Section 11.1 below.

(b) Authorized Representative - any officer, employee, or independent contractor retained or employed by either Party, acting within authority given him by that Party.

(c) Capital Expenditure - customary and necessary capital expenditures (as determined in accordance with generally accepted accounting principles) made by Tenant for Alterations with respect to the Improvements.

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(d) Damage - injury, deterioration, or loss to a Person or property caused by an Act of God or another Person's acts or omissions. Damage includes death. Damage does not include normal wear and tear.

(e) Destruction - any substantial Damage to the Land or the Improvements.

(f) Encumbrance - any deed of trust, mortgage, or other written security device or agreement encumbering either the leasehold or the fee interest in the Improvements, that constitutes security for the payment of a debt or performance of an obligation.

(g) Expiration - the coming to an end of the time specified in this Lease as its duration.

(h) Improvements - any structures or other permanent improvements constructed in accordance with plans and specifications approved by Landlord, subject to any requirements of all regulatory agencies.

(i) Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the Parties or the Land, or both, including any licensing requirements, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

(j) INTENTIONALLY OMMITTED

(k) Person - one or more human beings, or legal entities or other artificial persons of any kind, including, without limitation, partnerships, corporations, trusts, estates, joint ventures, associations, and any combination of human beings and legal entities.

(l) Provision - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in this Lease that in any way defines or otherwise controls, establishes, or limits the performance required or permitted by either Party.

(m) Rent - is defined in Section 5.1 of this Lease.

(n) Successor - assignee, transferee, personal representative, heir, or other Person succeeding lawfully, and pursuant to the Provisions of this Lease, to the rights or obligations of either Party.

(o) Termination - the ending of the Term for any reason before Expiration.

1.2 Other Definitions.

The following additional terms are defined in the following sections of this Lease:

- | | | |
|-----|------------------------|-----|
| (a) | Term | 4.1 |
| (b) | Rent | 5.1 |
| (c) | Rent Commencement Date | 5.1 |

(d)	Other Expenses	5.2
(e)	Award	13.1(a)
(f)	Condemnation	13.1(b)
(g)	Condemner	13.1(c)
(h)	Date of Taking	13.1(d)
(i)	Defaults	16.1

2. CONDITIONS TO TENANT'S OBLIGATIONS.

2.1 Clearance of the Land.

Landlord has agreed, at its sole expense, to demolish and remove the existing building, structures and improvements from the Land and clear the land in a manner consistent with the preparation of site for the construction of a one-story building. Landlord shall cause the clearance of the Land prior to delivery of the Land to Tenant. In addition, prior to delivery of the Land to Tenant, for the portion of the Land known as Parcel 1, located at 4301 Union Pacific Avenue, Landlord shall also perform the additional sampling and testing of soil on the site. Notwithstanding any other provisions of this Lease, the obligations of Tenant under this Lease is that possession of Parcel 1 by the Tenant is conditional and contingent upon the Landlord accomplishing clearance and site preparation and notifying Tenant, in writing, that the same has been accomplished.

2.2 INTENTIONALLY OMMITTED

3. LAND.

3.1 Lease of Land.

For and in consideration of the payment of Rent and the performance of all the terms, covenants and conditions of this Lease by Tenant, Landlord hereby leases the Land to Tenant subject only to the permitted exceptions set forth in certain title reports attached hereto as Exhibit B.

3.2 Tenant's Acceptance.

Parcel 2 (4315 Union Pacific Avenue) is currently improved with a surface parking lot and modular structure, and other related improvements. Parcel 1 is currently improved with buildings or structures, and other related improvements, which Landlord shall demolish and remove at its sole cost and expense. Following Landlord's clearance of Parcel 1, removal of such improvements, and completion of the activities specified in Section 2.1, Tenant agrees to accept the Land in its "as is" condition with all defects as of the date of the delivery of the Land to Tenant and shall be responsible for all development costs of the Center on the Land.

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3.3 Conveyance of Improvements.

Upon Expiration of the Term of this Lease or earlier termination of the Term pursuant to the provisions of this Lease, the Improvements shall be subject to the Ownership and Removal of Improvements provisions of Section 7.2 below.

4. LEASE TERM.

4.1 Term

The Term ("Term") of this Lease shall commence on the Lease Date and extend for a period of 10 years. Withstanding any provision of this Lease to the contrary, in the event that Tenant is unable to secure funding for the construction of the Improvements of the permanent Center, then this Lease shall automatically terminate and the Parties shall have no further obligations to one another.

5. RENT.

5.1 Payment of Rent.

Upon the execution and delivery of this Lease by each Party hereto to the other Party (the "Rent Commencement Date") and each anniversary of the Rent Commencement Date thereafter, Tenant shall pay to Landlord the sum of one dollar (\$1.00), without deduction, setoff, prior notice or demand, at such place as Landlord may from time to time designate and the other expenses specified in Section 5.2 below (the "Rent").

5.2 Other Expenses.

In addition to the rent as set forth in Section 5.1, Tenant shall pay or cause to be paid all insurance, operating and maintenance expenses in accordance with the terms of this Lease, including all ad valorem property taxes and possessory interest taxes, assessed against or otherwise imposed on the Land, Improvements or Tenant's Personal Property, if any (collectively the "Other Expenses").

From and after the date hereof, Tenant shall be liable and responsible for and pay the Other Expenses on or before the date such Other Expenses are due, and in no event shall Tenant be entitled to a credit from Landlord with respect to the Other Expenses.

6. USE OF LAND.

6.1 Use.

Throughout the Term of this Lease, the Land shall be used by Tenant for the operation of the Center and uses related to the Center and Tenant agrees to operate and maintain the Center pursuant to the Maintenance Agreement. Tenant shall not use or permit the use of the Land and Improvements in any manner which (i) creates a nuisance or (ii) violates any Law; provided that if any future Law is enacted that requires changes to the Improvements or otherwise requires that Tenant expend an amount greater than ten thousand dollars (\$10,000) to comply with such future Law, then Tenant may terminate this Lease by written notice thereof to Landlord given in accordance with the terms of Section 17.1(b).

6.2 Income Requirements for Households Served

Once the Center is operating, a minimum fifty-one percent (51%) of those children or persons served at the Center shall be from low-and moderate-income families on a continuous basis.

Low and moderate income families are those families whose household incomes fall below eighty percent (80%) of median household income as defined by the United States Department of Housing and Urban Development, adjusted for household size.

6.3 No Discrimination.

The Tenant herein covenants by and for itself, its officers, employees, agents, administrators and assigns that there shall be no discrimination against or segregation of any person or group of persons, on account of race, religion, creed, color, national origin, ancestry, marital status, sex or sexual orientation in the leasing, subleasing, transferring, use or enjoyment of the Land and Improvements, nor shall the Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants, or vendees for the Improvements.

6.4 Monitoring.

Once the Center is made available for public use, the Tenant shall complete the Quarterly Performance Report that is mandated by the U.S. Department of Housing and Urban Development (HUD) by compiling and providing Direct Benefits Information. The Tenant shall report this Direct Benefits Information to the Landlord only during the program year that the construction of the facility was completed and made available to the public. The Landlord will verify that the HUD national objective has been met in accordance with HUD regulations and the Tenant's policy as set forth in Community Development Block Grant ("CDBG") Bulletin No. 01-0059, dated October 29, 2001.

The Landlord and the Tenant shall comply with HUD regulation, 24 CFR 570.505, "Use of Real Property." The Tenant shall collect income and ethnicity data on the beneficiaries of the Center for the program year during which the Center is made available to the public and maintain the following records for five (5) years subsequent to the Center being available for public use, and shall enable the Landlord to conduct an onsite review of these records to verify compliance with the HUD following national objective:

- a) Income documentation for beneficiaries of the facility, evidencing that at least 51 percent of the clientele are persons whose family income does not exceed the low- to moderate- income limit which is 80% of the County's median income for the Los Angeles-Long Beach Metropolitan Statistical Area.
- b) Ethnicity information for all of the beneficiaries of the facility.

The Tenant must receive authorization from the Landlord to use the "Public Service Self Certification Form" (the "Form") to collect family income information in those instances where the Tenant is unable to obtain complete income documentation from the Center's beneficiaries. The Tenant must ensure that the Form contains the current income guidelines, and the completed Forms are maintained in a manner to facilitate the Landlord's monitoring review. The

Forms must be fully completed, signed, and dated by the beneficiaries, as well as approved by a Tenant's authorized staff member. If the scope of the facility's activity changes, the Tenant shall submit a new request to the Landlord for authorization to use the "Public Service Self-Certification Form." For Federal reporting and monitoring purposes, the Tenant shall collect and maintain the following information for each beneficiary of the Center:

- a) The name, address, ethnicity and single head of household status.
- b) The census tract number of the place of residence.

The Tenant shall market the facility's services to residents of the Los Angeles Urban County, which includes the unincorporated areas of the County and the cities participating in the Los Angeles Urban County CDBG Program.

The Tenant shall maintain the child care facility use of the Land for a period of not less than five (5) years. Any change in the use of the Land must be approved in writing by the Executive Director of the Landlord. Landlord, at Landlord's sole discretion, may terminate this Lease if Tenant changes the use of the Land without the Landlord's written permission, which permission shall not be unreasonably withheld.

7. IMPROVEMENTS.

7.1 Future Development of Parcel 1.

Prior to delivery of possession of Parcel 1 to Tenant, Tenant shall provide development plans which will be subject to approval by the Landlord, at Landlord's sole discretion, such approval shall not be unreasonably withheld, and approval by Landlord's governing body.

7.2 Ownership and Removal of Improvements.

The Improvements shall be the sole property of the Tenant. Except as otherwise provided under this Lease, Tenant shall have the right to remove the Improvements, subject to the approval of the Commission and/or the County of Los Angeles, in its reasonable discretion.

8. MAINTENANCE AND REPAIRS.

Tenant shall maintain the Land, landscaping, Improvements, equipment, and all other components of the Center in good repair and order and in decent, safe, and sanitary condition at all times in order to ensure the preservation of their condition. To this end, Tenant shall perform any repairs or replacements of the aforementioned as may be necessary.

9. UTILITIES AND SERVICES.

Tenant shall pay for all water, sewage, gas, electricity, telephone, maintenance, janitorial, trash collection and any and all other utilities and services supplied to the Land and Improvements.

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10. ALTERATIONS.

10.1 Alterations Subsequent to Issuance of Certificate of Occupancy.

Tenant shall have the right, throughout the Term of this Lease, at any time and from time to time, to make, without the review or approval of Landlord alterations costing no more than \$10,000.00. Any Alterations costing in excess of \$10,000 shall require the prior written approval of the Landlord; provided, however, that such approval by Landlord shall not be unreasonably withheld, conditioned, or delayed. All Alterations shall be made pursuant to the terms of this Section 10.

10.2 Conditions to Alterations.

Notwithstanding the Provisions of Section 10.1, with respect to any such Alterations, Tenant shall comply with the following requirements:

- a. If the Alterations require a building permit, on or before submission of (i) preliminary construction plans and specifications therefore and/or (ii) final working plans and specifications, to the appropriate governmental agencies for review, Tenant shall submit one set of such documents to Landlord for Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed by Landlord.
- b. If the cost of the Alterations exceeds \$10,000, Tenant shall deliver to Landlord insurance certificates for any insurance pertaining to the construction which is required pursuant to Section 11 hereof.
- c. Once construction of the Alterations commences, Tenant shall with reasonable diligence prosecute such construction to completion.

11. INDEMNIFICATION AND INSURANCE

Tenant shall indemnify, defend and hold harmless the Commission, the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Tenant's acts and/or omissions arising from and/or relating to this Lease.

Tenant shall procure and maintain at Tenant's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Tenant, its agents, representatives, employees, contractors or subcontractors.

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Commission, the Housing Authority, the County, and their officials and employees, shall be covered as insureds with respect to: liability arising out of activities performed by or on behalf of the Tenant; products and completed operations of the Tenant; premises owned, leased or used by the Tenant.

B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing worker's compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

Any self-insurance program and self-insured retention must be separately approved by the Commission.

Each insurance policy shall be endorsed to state that coverage shall not be cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Commission.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Commission.

All coverage for contractors and subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Commission.

12. DAMAGE OR DESTRUCTION.

12.1 Duty to Restore.

If any insured Damage or Destruction to the Improvements renders the Improvements partially or totally untenable, this Lease shall not terminate and said Improvements shall be rebuilt by Tenant with due diligence at Tenant's expense; provided, however that Tenant shall not be obligated to rebuild the Improvements if the insurance proceeds received by Tenant for such Damage or Destruction to the Improvements is less than one hundred percent (100%) of the cost to restore such Improvements. Notwithstanding the foregoing, this Lease shall be subject to termination as provided in Section 12.2 below.

12.2 Election to Terminate.

If there shall occur any Damage or Destruction to the Improvements at any time during the Term for which the insurance proceeds received by Tenant is less than one hundred percent (100%), exclusive of deductibles, of the cost to restore such Improvements (or if such Damage or Destruction is uninsured), then either Landlord or Tenant may terminate this Lease by written notice thereof to the other Party given in accordance with the terms of Section 17.1(b). If this Lease is not so terminated, then Tenant shall rebuild said Improvements with due diligence within reasonable time after Tenant's receipt of such insurance proceeds as approved by Landlord. If this Lease is terminated as aforesaid, (1) this Lease shall terminate effective as of the date of such Damage or Destruction, and (2) any Rent paid by Tenant for the period after such termination date shall be immediately refunded by Landlord.

13. CONDEMNATION.

13.1 Definitions.

(a) "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

(b) "Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemner and (2) a voluntary sale or transfer by Landlord or Tenant to any Condemner, either under threat of Condemnation or while legal proceedings for Condemnation are pending.

(c) "Condemnor" means any public or quasi- public authority, or private corporation or individual, having the power of Condemnation.

(d) "Date of Taking" means that date which is the earlier of (i) the date Condemnor has the right to take possession of the property being condemned (ii) the date Condemnor takes title to the property being condemned.

13.2 Rights and Obligations.

If during the Term there is any taking of all or any part of the Land, the Improvements or any interest in this Lease by Condemnation, the rights and obligations of the Parties shall be determined pursuant to this Section 13. Each Party waives the provisions of Code of Civil Procedure 1265.130 allowing either Party to petition the Superior Court to Terminate this Lease in the event of a partial taking of the Land.

13.3 Total Taking.

(a) If all or substantially all of the Land, the Improvements, or Landlord or Tenant's interest in this Lease shall be taken by Condemnation, this Lease shall terminate as of the Date of Taking. For purposes of this Section, "substantially all" of the Land, Improvements, or Landlord or Tenant's interest in this Lease shall be deemed to have been taken if the Condemnation in Tenant's reasonable discretion, prevents the remaining property from practicably being used by Tenant for the purposes contemplated by this Lease ("Total Taking").

(b) In the event of a Total Taking, Tenant shall be entitled to that portion of the Award attributable to the fair market value of the Improvements, plus, compensation for

fixtures and equipment, goodwill and relocation benefits and Landlord shall be entitled to receive the balance of any Award.

13.4 Partial Taking.

(a) In the event of a taking which is less than a Total Taking ("Partial Taking"), the Term of this Lease shall not be reduced or affected in any way.

(b) In the event of a Partial Taking:

(1) Subject to the rights of Tenant's Lender(s), that portion of the Award as may be required to reasonably repair and restore any Improvements on the Land shall be made payable to the Tenant for the cost of repair, restoration or reconstruction of the damaged or destroyed Improvements. If and to the extent that the Improvements cannot, in Tenant's reasonable judgment, be so repaired and restored, Tenant shall be entitled to a portion of the Award as required to reasonably compensate Tenant for the fair market value of Tenant's interest in this Lease taken by Condemnor and the fair market value of the Improvements which cannot be repaired or restored. Any such reconstruction or restoration by Tenant shall comply with the Provisions of Section 20.1 of this Lease; and

(2) Landlord shall be entitled to receive the balance of the Award.

(c) If the temporary use or occupancy of all or any part of the Improvements shall be taken for any public or quasi-public use for a period exceeding thirty (30) days during the Term of this Lease, Tenant shall have the option to Terminate this Lease upon thirty (30) days notice to Landlord, subject to the rights of Tenant's Lenders. If Tenant does not exercise this option to Terminate the Lease, Tenant shall continue to pay in full the Rent and other sums due from Tenant to Landlord under this Lease, and Tenant shall have the right to receive so much of any Award or other consideration for such taking as represents compensation for the use and occupancy of the Land and Improvements up to and including the date of Expiration of the Term of this Lease or the date of Termination of the temporary taking as reasonably determined by Landlord, whichever is earlier, and Landlord shall be entitled to receive the balance, if any, of the Award.

13.5 Condemnation Proceedings.

Tenant shall have the right to participate in any Condemnation proceedings concerning or affecting the Land, the Improvements, Landlord's interest in this Lease and Tenant's interest in this Lease. In case of a taking of all or any part of the Land or the commencement of any proceedings or negotiations which might result in such taking, any Party receiving information as to the same shall promptly give written notice thereof to the other.

14. HAZARDOUS MATERIALS.

(a) Tenant and Landlord acknowledge that the following activities have occurred regarding hazardous materials and the proposed use of the Land:

(1) In performance of Landlord's due diligence on the site, Landlord caused to be prepared the following documents: a) Environmental Disclosure Report (aka Phase I Environmental Site Assessment) prepared by AMS-NATC Environmental Services, Inc., dated

September 23, 1997, for 4315, 4317, 4319 and 4329 Union Pacific Avenue, and 1275 Sunol Avenue, Los Angeles, CA; b) Phase I Environmental Site Assessment Report prepared by First USA RE., Inc., dated March 2001, for 4301 Union Pacific Avenue and 1274 Downey Road, Los Angeles, CA; c) Phase II Environmental Site Assessment prepared by Geo-Cal Inc., dated April 6, 2000, for 4329 Union Pacific Avenue, Los Angeles, CA; and d) Phase II Environmental Site Assessment prepared by First USA RE., Inc., dated December 2000, for 4315-29 Union Pacific Avenue and 1275 Sunol Drive, Los Angeles, CA.

- (2) Landlord and Tenant have independently reviewed all documents identified in item 1 above, and based on this documentation acknowledge that: a) portions of the site located at 4329 Union Pacific Avenue were formerly used as a gas station, b) underground storage tanks were removed, and the former gas station site was remediated under the regulatory oversight of the Los Angeles County Department of Public Works (DPW), c) DPW issued a Closure Certification for the site on January 23, 1997.
- (3) Landlord and Tenant acknowledge that the Phase II Environmental Site Assessments identified in item 1 above indicate that some residual subsurface contaminants remain on the former gas station property in the area to be used as surface parking for the proposed development, and that based on sampling results documented in the Phase II Environmental Site Assessment dated December 2000, the remaining subsurface contaminants do not extend to any site areas to be developed with structures designed for human occupancy.
- (4) Landlord and Tenant acknowledge that placement of structures away from the confined areas of subsurface contaminants has been purposefully undertaken to further mitigate potential risks to human health.

(b) Tenant covenants that it shall not (i) release "Hazardous Materials" (as defined below) in violation of Environmental Laws (as defined below) in, on or upon the Site, or (ii) during the term of this Lease, permit the release of Hazardous Materials in violation of Environmental Laws in, on or upon the Site or the Project. Tenant further covenants and agrees to remove or remediate, at its expense (subject to any reimbursement it may be able to obtain from third parties) any Hazardous Materials released in, on or upon the Site or the Project in violation of Environmental Laws from and after the date hereof and during Tenant's lease, control or occupancy of the Site or the Project to the extent required by and in accordance with the requirements of the Environmental Laws. The foregoing shall not be construed or understood to prohibit Tenant from allowing Hazardous Materials to be brought upon the Project so long as such Hazardous Materials are materials which are customary and common to the normal course of business in the operation of a child care facility and so long as such materials are used, stored and disposed of in accordance with Environmental Laws. Tenant agrees to indemnify, defend and hold Landlord and its members, directors, agents, officers and employees ("Landlord Parties") harmless from and against any Claims arising directly or indirectly out of the presence of Hazardous Materials in, on or upon the Site or the Project, in

violation of this Section 14, including without limitation any Claims arising out of any release of Hazardous Materials described in (i) and (ii) hereinabove or out of Tenant's failure to remove or remediate all such Hazardous Materials released in violation of Environmental Laws in, on or upon the Site and the Project, as required above.

(c) Tenant hereby releases, waives and discharges Landlord and its agents, officials and representatives from all present and future claims, demands, suits, legal and administrative proceedings and from all losses and liabilities arising out of or in any way connected with Tenant's ownership, lease, control or occupancy of the Site, operation of the Project, and in connection with such release and waiver Tenant is familiar with and hereby waives the provisions of Section 1542 of the California Civil Code which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

(d) For purposes of this Lease, the term "Hazardous Materials" means, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any other substance or material as may now or hereafter be defined as a hazardous or toxic substance by any federal, state or local environmental law, ordinance, rule or regulation (collectively, "Environmental Laws"), including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 6901 et seq.), (ii) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), (iii) the Clean Air Act (42 U.S.C. Section 7401 et seq.), (iv) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. Section 6902 et seq.), (v) the Toxic Substances Control Act (15 U.S.C. Section 2601-2629), (vi) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), (vii) the Carpenter-Presley-Tanner Hazardous Substance Account Act (CA Health & Safety Code Section 25300 et seq.), (viii) the Hazardous Waste Control Law (CA Health & Safety Code Section 25100, et seq.), (ix) the Porter-Cologne Water Quality Control Act (CA Water Code Section 13000 et seq.), (x) the Safe Drinking Water and Toxic Enforcement Act of 1986, (xi) the Hazardous Materials Release Response Plans and Inventory (CA Health & Safety Code Section 25500 et seq.), (xii) the Air Resources Law (CA Health & Safety Code Section 39000 et seq.), or (xiii) in any of the regulations adopted and publications promulgated pursuant to the foregoing.

15. ASSIGNMENT, SUBLETTING AND ENCUMBERING.

15.1 Assignment and Subletting.

(a) Tenant may not assign, sublet or transfer all or any of its interest in this Lease without the written consent of Landlord at Landlord's sole discretion, which consent shall not be unreasonably withheld. In the event Landlord grants its consent to an assignment or transfer, Tenant shall be jointly responsible with sublessee for the obligations for the performance of all of the terms and conditions of this Lease, including the payment of Rent, upon the date of such assignment or transfer.

(b) No assignment or transfer of this Lease by the Landlord shall be binding on the Tenant unless the assignee or transferee shall assume and agree to be bound by the terms of this Lease and until notice of assignment or transfer together with an executed copy of such transfer instrument or assignment is received by Tenant.

15.2 Encumbrance or Assignment as Security.

Tenant shall not have the right to encumber or assign its interest in this Lease, in favor of any Lender, including, without limitation, banks, savings and loans, and insurance companies without the consent of Landlord, and at the Landlord's sole discretion.

16. DEFAULTS AND REMEDIES.

16.1 Defaults.

Each of the following shall, after the giving of any required notice and the expiration of any applicable cure period described herein, constitute a default ("Default") by Tenant under this Lease:

(a) If, after written notice, Tenant shall fail to pay any installment of Rent or other sum due under this Lease when due and payable, and such failure continues for a period of more than ninety (90) days;

(b) If Tenant shall fail to perform any non-monetary obligation, provision, term, covenant or condition of this Lease, and such failure continues for more than ninety (90) days after written notice from the Landlord; provided, however, that if the default is of such a character that it cannot be reasonably cured within ninety (90) days, Tenant shall not be in default hereunder if Tenant shall commence the cure of such default within ninety (90) days of Landlord's written notice to Tenant and shall thereafter diligently prosecute the same to completion;

(c) If, after operation of the Center has commenced, the Land or its Improvements is not used for its intended child care purposes for a period up to ninety (90) days, except in the event of Damage or Destruction or Condemnation to or of the Improvements, in which event the terms and provisions of Section 12 and Section 13 shall govern, then Landlord shall have a right to terminate this Lease;

(d) If a receiver, guardian, conservator, trustee or assignee, or any other or similar officer or Person shall be appointed to take charge of the Land or Improvements, and such appointment is not vacated within ninety (90) days thereafter;

(e) The material falsity of any representation or breach of any warranty or covenant made by Landlord or Tenant under the terms of this Lease shall constitute a default for which no cure is provided, provided that the non-defaulting party gives notice to the defaulting party of such material falsity within twelve (12) months following the Lease Date.

(f) Tenant shall (a) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of its property, (b) make a general assignment for the benefit of creditors, (c) be adjudicated a bankrupt or insolvent or (d) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition that is not withdrawn within ninety (90) days of the filing thereof or answer seeking an

arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;

(g) If without the application, approval or consent of Tenant, a proceeding shall be instituted in any court of competent jurisdiction under any law relating to bankruptcy, in respect of Tenant or any constituent member or partner or majority shareholder, of Tenant for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Tenant, in good faith, the same shall (a) result in the entry of an order for relief or any such adjudication or appointment, or (b) continue undismissed, or pending and unstayed, for any period of ninety (90) consecutive days;

(h) Following the Center being made available for public use, voluntary cessation of the operation of the Center for a continuous period of more than ninety (90) days except in the event of Damage or Destruction or Condemnation to or of the Improvements in which event the terms and provisions of Section 12 and Section 13 shall govern; or

(i) Tenant shall suffer or attempt to effect an assignment or transfer of this Lease in violation of Section 15 above.

16.2 Remedies.

Upon occurrence of any Default by Tenant, Landlord may at its option and without any further demand or notice, do any of the following:

(a) Give written notice of Termination of this Lease to Tenant, and on the date specified in such notice, Tenant's right to possession of the Land and Improvements shall cease immediately and this Lease shall Terminate. Upon such Termination, Landlord may reenter the Premises, and subject to the rights of subtenants, Landlord may eject all parties in possession of the Premises through legal process and repossess and enjoy the Premises.

(b) Without terminating this Lease or relieving the Tenant of any obligation hereunder, the Landlord may do all things necessary to preserve, maintain and repair the same and continue to enforce all of its rights and remedies under this Lease.

16.3 Cumulative Nature of Remedies.

The foregoing rights and remedies granted to Landlord under Section 16.2 shall be cumulative to the all other rights and remedies now or hereafter given to Landlord by Law or in equity or by the Terms of this Lease. No remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy given under this Lease or now existing at law or in equity or by statute; and may be exercised in such manner, at such times and in such order as Landlord may determine in its sole discretion. No delay or omission in the exercise of any right or power upon the occurrence of any Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by Landlord. In the event of a Default by Landlord or Tenant, neither party shall be entitled to recover consequential damages from the

other. In order to entitle Landlord to exercise any right or remedy reserved to it under this Lease, no notice shall be required except as expressly provided herein.

16.4 Landlord's Right to Cure Breach.

If an emergency threatens life or material damage to property, at any time and without notice to Tenant or any other party, Landlord may (but shall not be obligated to) cure any default by Tenant under this Lease at Tenant's sole cost. If Landlord, by reason of Tenant's failure, pays any sum or does any act under this Section 16.4, the reasonable sum paid by Landlord plus the reasonable cost of performing such act shall be due as additional Rent within thirty (30) days after written demand therefore by Landlord to Tenant. Except as specifically provided under the terms of this Lease, no such payment or act shall constitute a cure or waiver of the breach or a waiver of any remedy for Default or render Landlord liable for any loss or damage resulting from any such act.

16.5 Landlord's Default.

Landlord shall be in Default under this Lease if, after the giving of any required notice and the expiration of any applicable cure period described herein, Landlord fails to perform any obligation required to be performed by it hereunder, provided however that Landlord shall be entitled to cure such default if Landlord performs such obligation within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in Default if Landlord shall commence such performance within such thirty (30) day period and thereafter diligently and in good faith prosecute the cure to completion.

17. SURRENDER; ENTRY.

17.1 Surrender.

(a) Surrender Upon Expiration or Earlier Termination. Subject to the provisions of this Lease, upon the Expiration or sooner Termination of this Lease, Tenant shall surrender the Land to Landlord. Tenant shall have the right to remove the Improvements, and their trade fixtures, furniture, personal property, furnishings and equipment from the Land and the Improvements prior to the date of Termination or within thirty (30) days after the date of Termination provided they repair any damage to the Land caused by said removal. All items not removed on or before thirty (30) days after the date of Termination shall be the sole property of Landlord.

(b) Voluntary Surrender. Tenant may surrender the Land and Improvements to Landlord upon sixty (60) days prior written notice at any time during the Term of this Lease with the written consent of the Executive Director of the Landlord. In such event, Tenant shall be relieved of any and all obligations arising on or subsequent to the date the Lease is so surrendered to Landlord, provided, however that Tenant shall remain obligated on all obligations that arise prior to the date of such surrender.

(c) Landlord's Ownership of the Improvements. All Improvements on the Land and any personal property not removed from the Land after termination or surrender shall be the sole and absolute property of Landlord, who may transfer, sell, assign or remove the same.

17.2 INTENTIONALLY OMMITTED

17.3 Landlord's Entry on Land.

Landlord and its Authorized Representatives shall have the right to enter the Land during normal business hours upon 24 hours prior notice to Tenant for any of the following purposes:

(a) To determine whether the Land is in good condition and whether Tenant is complying with its obligations under this Lease.

Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Land as provided in this Section 17.3, except damage resulting from the negligent acts or negligent omissions of Landlord or its Authorized Representatives.

Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any rights reserved in this Section 17.3.

Landlord shall conduct its activities on the Land as allowed in this Section 17.2 in a reasonable manner that will minimize any inconvenience, annoyance, or disturbance to Tenant and Tenant's subtenants.

18. NOTICES.

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease made or given by either Party to the other shall be personally delivered or sent by reputable overnight courier or United States certified mail, return receipt requested, postage prepaid, and shall be deemed received upon delivery if personally served, one day after deposit with an overnight courier, or three days after deposit in the United States mail, if sent certified mail, return receipt requested, postage prepaid. Such notices shall be addressed as follows:

If to Landlord: Corde Carrillo, Director
Economic/Redevelopment Division
Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

If to Tenant: Faye Washington, CEO
Young Women Christian Association of
Greater Los Angeles, California
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010

or to such other place or places as Landlord and Tenant may designate by written notice similarly delivered.

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19. QUIET POSSESSION.

Tenant shall and may peaceably and quietly have, hold and enjoy the Land during the Term hereof, as the same may be extended, without hindrance by Landlord, subject to all of the Provisions of this Lease.

20. INTENTIONALLY OMMITTED

21. INTENTIONALLY OMMITTED

22. GENERAL PROVISIONS.

22.1 Waiver.

The waiver by Landlord or Tenant of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

22.2 Estoppel Certificates.

At any time and from time to time, within twenty (20) days after notice of request by either Party, the Party so requested shall execute, acknowledge, and deliver to the requesting Party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured Defaults or failures to perform any covenant or Provision of this Lease on the part of the other Party hereto or specifying any such Defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any Lender, auditor, creditor, banker, and investment banker of either Party and by any prospective purchaser or mortgagee of the Land or all or any part or parts of Tenant's or Landlord's interests under this Lease.

22.3 Entire Agreement; Modification.

This Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant unless included in such a contemporaneous agreement shall be held to vary the Provisions hereof, any statements, laws or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own inspection of the Land and examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Lease itself. The failure or refusal of either Party to inspect the Land, to read this Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

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No Provision of this Lease may be amended or varied except by an agreement in writing signed by the Parties.

22.4 Recording.

At Tenant's request, Landlord and Tenant shall enter into a short form memorandum of this Lease, in suitable form for recording, which shall be prepared at Tenant's sole expense upon commencement of the Term.

22.5 Governing Law.

The Lease shall be governed by and interpreted under the laws of the State of California.

Successors.

The covenants, conditions and agreements of this Lease shall be binding upon and shall inure to the benefit of the heirs, representatives, successors and assigns of the Parties hereto.

22.6 Severability.

If the Provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other Provisions of this Lease shall in no way be affected thereby, and this Lease shall be construed as though such invalid, illegal or unenforceable Provisions had never been contained herein, provided that such construction does not materially alter the rights or obligations of either Party hereunder.

22.7 Singular and Plural: Gender.

Whenever the singular number is used in this Lease and the context requires, the same shall include the plural. Further, when used in this Lease and the context requires, the neuter gender shall include the feminine and masculine, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, and each shall include any reference to a corporation, partnership, trust, or other legal entity.

22.8 Termination for Improper Consideration.

The Landlord may, by written notice to Tenant, immediately terminate the right of Tenant to proceed under this Lease if it is found that consideration, in any form, was offered or given by Tenant, either directly or through an intermediary, to any Landlord officer, employee or agent with the intent of securing the Lease or securing favorable treatment with respect to the award, amendment or extension of the Lease or the making of any determinations with respect to the Tenant's performance pursuant to the Lease. In the event of such termination, Landlord shall be entitled to pursue the same remedies against the Tenant as it could pursue in the event of default by the Tenant.

Tenant shall immediately report any attempt by a Landlord officer or employee to solicit such improper consideration. The report shall be made to the Landlord manager charged with the supervision of the employee or the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0491 or (800) 544-6861.

22.9 Time.

Time is of the essence of this Lease. To the extent any approvals are required of Landlord under this Agreement, such approvals or disapprovals shall be given within twenty (20) days of receipt by Landlord of a request by Tenant for an approval of Landlord, unless the time frame for said approval is specified in this Lease.

22.10 Captions.

The captions of the sections of this Lease are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

22.11 Brokers.

Each Party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

22.12 Force Majeure.

Except as provided below, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, extraordinary governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the control of the Party obligated to perform any term, covenant or condition of this Lease, shall excuse the performance by such Party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to Rent or Landlord's financial obligations pursuant to this Lease, unless abatement is provided for in those instances under this Lease.

Either Party encountering such force majeure delays shall send written notice thereof to the other Party no later than ten (10) days after the commencement of such force majeure delay. If the Party encountering such force majeure delay fails to send notice thereof to the other Party within ten (10) days after the commencement of such delay, then any alleged delay occurring more than ten (10) days prior to the date of such notice shall not be deemed to extend any time for performance set forth herein.

22.13 Conflict of Documents.

To the extent of any inconsistency between this Lease and any other related agreements entered into prior to the Lease Date, the terms of this Lease shall prevail.

22.14 Compliance with Laws.

Tenant and Landlord agree to be bound by applicable federal, state, and local laws, regulations and directives as they pertain to the performance of this Lease, including, but not limited to the following:

a. Federal Lobbyist Requirements

Tenant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of any agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification of said documents.

22.15 Conflict of Interest.

The Tenant represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the Term of this Lease, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Commission. Upon execution of this Lease and during its Term, as appropriate, the Tenant shall disclose in writing to the Commission any other contract or employment during the Term of this Lease by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interest of the third parties.

22.16 Access and Retention of Records.

Tenant shall retain books, documents, papers and records of the Tenant which are directly pertinent to the Lease for a period of five years after the Lease expires.

22.17 Safety Standards and Accident Prevention.

The Tenant shall comply with all applicable federal, state and local laws governing safety, health and sanitation in connection with the performance of this Lease.

22.18 Drug-Free Workplace Act of the State of California.

Tenant certifies under penalty of perjury under the laws of the State of California that the Tenant will comply with the requirements of the Drug-Free Workplace Act of 1990.

22.19 Notice to Employees Regarding the Safety Surrendered Baby Law.

The Tenant shall notify and provide to its employees, and shall require each contractor and subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit D, County Contractor Notification to Contract Employees Regarding the Newborn Abandonment Law (SB 1368, the Safely Surrendered Baby Law).

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22.21 Tenant's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law.

The Tenant acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Tenant understands that it the County's policy to encourage all County Contractors, which shall include Tenant, to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Tenant's place of business. The Tenant will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of Children and Family Services will supply the Tenant with the poster to be used.

22.22 Interpretation.

No provision of this Lease is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Lease is to be constructed as if it were drafted by both parties hereto.

22.23 Waiver.

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall be deemed to be a waiver of any breach of the same or any other provision hereof.

F:\HOME\ER\ED\ YWCA-GROUND LEASE--7-14-03

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date first above written

LANDLORD:

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

TENANT:

YOUNG WOMEN CHRISTIAN
ASSOCIATION OF GREATER LOS
ANGELES, CALIFORNIA

BY: _____
CARLOS JACKSON,
EXECUTIVE DIRECTOR

By: _____
FAYE WASHINGTON, CHIEF
EXECUTIVE OFFICER

Date

Date

APPROVED AS TO FORM:
LLOYD W. PELLMAN
COUNTY COUNSEL

BY: _____
Deputy

EXHIBIT A

LEGAL DESCRIPTION AND ASSESSOR'S PARCEL MAP

PARCEL 1: 4301 UNION PACIFIC AVENUE

Lots 18 and 19 in Block 7 of Tract No. 4301, in the County of Los Angeles, State of California, as per map recorded in Book 50, Pages 98 and 99 of Maps, in the Office of the County Recorder of said County.

PARCEL 2: 4315 UNION PACIFIC AVENUE

Lots 20 and 21 of Block 7, Tract No. 4301, in the County of Los Angeles, State of California, as per map recorded in Book 50, Pages 98 and 99 of Maps, in the Office of the County Recorder of said County.

ASSESSOR'S PARCEL MAP

EXHIBIT B
TITLE REPORTS

EXHIBIT C

FEDERAL LOBBYIST REQUIREMENTS CERTIFICATION

Name of Firm: _____

Address: _____

State: CA Zip Code: _____ Telephone Number: (____) _____

Acting on behalf of the above named firm, as its Authorized Official, I make the following Certification to the U.S. Department of Housing and Urban Development and the Community Development Commission, County of Los Angeles.

1) No Federal appropriated funds have been paid by or on behalf of the above named firm to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of and Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification thereof, and;

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the above named firm shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions, and;

3) The above name firm shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreement) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into the transaction imposed by Section 1352 Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AUTHORIZED OFFICIAL

(Tenant)

By: _____
(Signature)

(Date)

(Title)

EXHIBIT D

**INFORMATION REGARDING THE NEWBORN ABANDONMENT LAW
(SB 1368, THE SAFELY SURRENDERED BABY LAW)**